Package Scheme of Incentives
2007- Modalities for sanction and
Disbursement of Employer's
contribution to Employees' Provident
Fund (EPF) and Employees' State
Insurance (ESI) Under Para 5.9 of
Package Scheme of Incentives 2007

# Government of Maharashtra

## Industries, Energy and Labour Department

## Government Resolution No.: PSI-2013/C.R.157/Ind-8

Mantralaya, Mumbai – 400 032

Date:12 August. 2013

**<u>Read -</u>**

1) **Government Resolution No.: PSI-1707/CR-50/IND-8, dated 30/3/2007**
2) **Government Resolution No.: PSI-1708/ CR-228/IND-8, dated 25/8/2008**

**<u>Background -</u>**

There in para 5.9 of G.R. dated 30/4/2007, Eligible New units having zero VAT and units coming up in the notified low HDI (Annexure – II of PSI-2007) and employing at least 75% local persons as defined in ELP, will be offered 75% reimbursement of expenditure on account of contribution towards Employee's Provident Fund (EPF) and Employees State Insurance (ESI) Scheme for a period of 5 years. However these benefits will be limited to 25% of FCI. The amount of reimbursement will be paid annually, based on the minimum statutory limit, subject to the condition that the eligible unit has paid its contribution towards EPF and ESI on the due dates.

**Government Resolution**

The procedure for filing of application and sanction of this incentive is prescribed as under:

1. **<u>Definitions:</u>**

**A) EPF Contribution**

The PF contributions paid by the eligible unit (employer) on behalf of workers employed by the unit for the eligible project under PSI -2007, as per the minimum statutory limit prescribed under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and Employees Provident Funds Scheme, 1952 hereinafter called the "PF Act", will be considered admissible for calculation of the incentive amount. The incentive will be

sanctioned on basic EPF contribution in annual claim except penalty amount. To be eligible for refund, the PF contributions must be paid within the prescribed time limit. The time- limit set out under the PF Act is 15 days from the close of the relevant month (for example, the PF contribution for the month of Jan-2009 must be deposited by the 15th of Feb, 2009)

**B) ESI Contribution**

The ESI contributions paid by the eligible unit (employer) on behalf of workers employed by the company for the eligible project, under PSI -2007, as per the statutory limits prescribed under the Employees State Insurance Act, 1948 (hereinafter called the "ESI Act"), will be considered admissible for calculation of the incentive amount. The incentive will be sanctioned on basic ESI contribution in annual claim except penalty amount. To be eligible for refund, the ESI contributions must be paid within the prescribed time limit. The time- limit set out under the ESI Act is 21days from the close of the relevant month (for example, the ESI contribution for the month of Jan-2009 must be deposited by the 21st of Feb, 2009).

2. <u>Application:-</u>

An application in prescribed Performa (Annexure A), shall be duly filled, signed and submitted by the employer/authorized person to the Implementing Agency.

Following documents shall be enclosed with the application form.

i) Affidavit in prescribed format (Annexure B)
ii) Copy of form 5 and 5A prescribed under the ESI Act, pertaining to the claim period. (Together with list of employees)
iii) Copy of form 6 and 6A prescribed under the PF Act, pertaining to the claim period. (Together with list of employees)
iv) CA certified Copies of monthly challan by which ESI and EPF contributions were paid during the claim period.(If online certified copy of online receipt is acceptable)

3. (a) The valid claim should be filed within 6 months of the close of the concerned financial year. The 1st such claim shall be filed within 6 months from the close of the financial year in which the Eligible Unit was issued Eligibility Certificate or within 6 months from the date of Eligibility Certificate whichever is later. Any delay in filing of valid claim beyond the stipulated period, shall attract penalty by way of 10% deduction in the quantum of admissible EPF/ESI refund relating to that claim. For delays exceeding 6 months the relevant claim shall be automatically treated as having lapsed and no EPF/ESI refund shall be admissible for the period covered in the claim.

3. (b) Those eligible units who could not have submitted their valid claims due to absence of modalities for EPF/PPF, under PSI-2007, such units must file their valid claims within 6 months from the date of this G.R. Any delay in filing of valid claim beyond the stipulated period, shall attract penalty by way of 10% deduction in the quantum of admissible EPF/ESI refund relating to that claim. For delays exceeding 6 months the relevant claim shall be automatically treated as having lapsed and no EPF/ESI refund shall be admissible for the period covered in the claim.

4. If it is found by the State Government that due to an error in fact or in law, an amount of EPF and ESI reimbursement has been paid to the eligible unit in excess of or less than what was actually payable in respect of any period or part thereof, the State Government may revise the sanction order on its own and pass a fresh order determining the actual amount of EPF and ESI reimbursement payable to the eligible unit in respect of a period (or part thereof) and thereupon. If an excess amount of assistance has already been paid, steps may be taken to recover the excess amount by way of deduction from the amount of assistance for any subsequent period (or part thereof) or effect of a lump-sum recovery to be paid by the eligible unit within 60 days of passing of the order.

5. On receipt of the valid claim complete in all respect, the implementing agency shall upon verifying the correctness of the particulars furnished in the application and the document, sanction the admissible quantum of EPF & ESI reimbursement ordinarily within 30 days of receipt of valid and complete claim.

6. The Implementing Agency shall maintain an account of each eligible unit in whose favor the eligibility certificate has been granted and shall fix the limit of disbursement to the extent of value of incentive as mentioned in Eligibility Certificate

7. `The Eligibility Certificate-wise record shall be maintained in registers as well in soft form.

8. Projects shall be required to maintain direct employment of 75% to the local persons throughout the year. If the project fail to maintain this criteria, then such incentives shall not be admissible for the year.

**9. MONITORING AND REVIEW:**

Monitoring of the production activities of the eligible unit will be done as per the provisions of Para 6.1 and 6.2 of the Government Resolution no. PSI-1707/ (CR-50)/ IND - 8 dated 30 March 2007 of Package Scheme of Incentives 2007.

10. This government Resolution is issued with the concurrence of the Finance Department vide its U.O.R. No. 228/13/exp-16, Dated 17/7/2013.

This Government resolution of Maharashtra Government is available at the website www.maharashtra.gov.in. Reference no. for this is 201308121527258810. This order has been signed digitally.

By order and in the name of the Governor of Maharashtra.

Damodar Ambadas Kulkarni

Digitally signed by Damodar Ambadas Kulkarni
DN: c=IN, o=Government Of Maharashtra, ou=Industry Energy & Labor, postalCode=400032, st=Maharashtra, cn=Damodar Ambadas Kulkarni
Date: 2013.08.13 18:31:52 +05'30'

**( D. A. Kulkarni )**
Under Secretary to government

Copy forwarded to:

1. Development Commissioner (Industries), Directorate of Industry, Mumbai.
2. All Joint Directors of Industries
3. All General Managers, District Industries Centers
4. Finance Department, Exp-16, Tax-1, Mantralaya, Mumbai
5. The Industries, Energy and Labour Department (IND-8, Select file).

## Annexure – A

**APPLICATION for reimbursement of employer's contributions to employee's Provident Fund (EPF) and State Insurance (ESI) under Package Scheme of Incentives 2007 (PSI 2007)**

(All amounts in Rs. Lacs)

| | | |
|---|---|---|
| 1. Name of the eligible unit | : | |
| 2. Factory address of Eligible unit | : | |
| Telephone number | | |
| fax / e-mail | | |
| 3. Office Address | : | |
| Telephone number | | |
| fax / e-mail | | |
| 4. Eligibility Certificate No. | : | |
| 5. Date of the Eligibility Certificate | : | |
| 6. Accounting year followed | : | |
| 7. Period for which the application for reimbursement is made | : | |
| 8. Bank details of eligible units | : | |
| Bank & Branch Name | | |
| Branch address | | |
| Branch IFS code (for NEFT) | | |
| Account number (for NEFT) | | |

Date:

To,

The Development Commissioner (Industries),

Sir,

In accordance with the Package Scheme of Incentives PSI-2007 (PSI-2007), application is submitted for sanction of reimbursement of employer's contribution towards Employee's Provident Fund and Employees' State Insurance amounting to Rs. ------------------------ (Rupees in words ---------------------------------) for the period from ------ to ------- under the Eligibility Certificate No. ________ dated _________ .

1. The Following documents are submitted along with the application:

   i) Affidavit in prescribed format (Annexure B)
   ii) Copy of form 5 and 5A pertaining to the claim period prescribed under the ESI Act. (Together with list of employees)
   iii) Copy of form 6 and 6A pertaining to the claim period prescribed under the PF Act. (Together with list of employees)
   iv) Certified Copies of chalans by which EPF & ESI contributions were paid for the claim period.

I/We hereby state that apart from this application no refund is claimed nor will be claimed in future on the ESI and EPF contribution reimbursement claimed.

Yours faithfully,

Name, Status and Signature of the
Authorized Signatory

Status: Proprietor / Partner /Chairman
Managing Director / Director.

This application shall be signed by any one of the persons indicated above.

## Annexure – B

**On Rs. 100/- Stamp Paper**

## A F F I D A V I T

I/We_______________ Designation (Managing Director/ Director / Partner /Proprietor etc)____________aged about _____ years of M/s. ________________________________________ (herein after referred to as "the Company"), having registered office at ________________________________________________________________do hereby solemnly affirm and state on Oath as under:-

1. I/We state that the Company has set up a new project / Expansion (only employment based mega) at ________________________for which Eligibility Certificate (EC) Number.________ dated_________ , is issued under Package Scheme of Incentives - 2007.
2. The total number of employees employed by the company for the unit covered under the Eligibility Certificate Number ________dated _________ is ________________.
3. A) The unit holds registration/code number with the office of Provident Fund, Commissioner the details of which are given below,

| Name | Location | Registration/Code Number & Date |
|---|---|---|
| | | |
| | | |

B) The unit holds registration/code number under the Employees' State Insurance Act, 1948, the details of which are given below,

| Name | Location | Registration/Code Number & Date |
|---|---|---|
| | | |
| | | |

I/We affirm that the company has maintained necessary record pertaining to the status of the local employees employed for the unit to which Eligibility Certificate Number _________ dated ________ , is issued and the same shall be produced for verification within 24 hours, of being asked for by the directorate of industries.

5. I/We understand that the any breach of conditions of the Offer Letter and/or conditions of PSI-2007 and/or terms of agreement dated .............. executed with the Govt. of Maharashtra under PSI-2007, the Company is liable to repay the incentives together with penalties, if any to the Implementing Agency.

6. I/We further state that apart from this application dated _______ filed with _____________, Government of Maharashtra, for reimbursement of EPF and ESI contribution under Eligibility Certificate Number ._______dated________, no further refund is claimed nor shall be claimed in future, against the said claim with any other authority.

I/We hereby state that the information submitted here in is completely true. The EPF and ESI contribution refund claimed pertains only in respect of the employees employed for the specific unit to which the Eligibility Certificate Number ______ dt. _______under PSI-2007 is issued. I/We understand that submission of false and /or incorrect and /or incomplete information will cause the implementing agency to cancel the said EC forth with, and recover in one installment all the incentives disbursed to the unit together with a penalty to be calculated @ 10% or any such higher interest as may be decided upon by the Government from time to time.

I/We understand that in the event of that any of the information/facts stated in this affidavit are found incorrect /false and then the company and the person signing this affidavit shall be liable to be procedure under the concerned law.

The contents of the above said affidavit are true and correct and nothing has been concealed there from.

For.............................................................

DATE :

PLACE :

DEPONENT